

**RECREATION DISTRICT NO. 6 OF ALLEN PARISH**  
**Reeves, Louisiana**

**A Component Unit of the Allen Parish Police Jury**

Annual Financial Statements

As of and for the Year Ended September 30, 2012

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## CONTENTS

	<b>Page</b>
Independent Accountant's Compilation Report	3
<u>Basic Financial Statements</u>	
Government-Wide Financial Statements:	
Statement of Net Assets	5
Statement of Activities	6
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	7
Statement of Revenues, Expenditures, and Changes in Fund Balances	8
Notes to the Financial Statements	10
<u>Required Supplementary Information</u>	
Budgetary Comparison Schedule:	
General Fund	21

# Stutzman & Gates, LLC

## Certified Public Accountants

Members:  
American Institute of Certified Public Accountants  
Society of Louisiana Certified Public Accountants

### INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

Board of Commissioners  
Recreation District No. 6 of Allen Parish  
Reeves, Louisiana

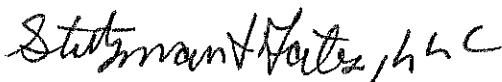
We have compiled the accompanying financial statements of the governmental activities and each major fund of the Recreation District No. 6 of Allen Parish (the District), component unit of the Allen Parish Police Jury, as of and for the year ended September 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

The management of the Recreation District No. 6 of Allen Parish is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

The budgetary comparison information, on page 21, is presented for purposes of additional analysis. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context. The supplementary information has been compiled from information that is the representation of management. We have not audited or reviewed the supplementary information and accordingly, we do not express an opinion or provide any assurance on such supplementary information.

Management has omitted the management's discussion and analysis information that is required to be presented for purposes of additional analysis. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.



Stutzman & Gates, LLC  
December 4, 2012

## **BASIC FINANCIAL STATEMENTS**

RECREATION DISTRICT NO. 6 OF ALLEN PARISH  
Statement of Net Assets  
September 30, 2012

<b>ASSETS</b>	<b>GOVERNMENTAL ACTIVITIES</b>
Cash and cash equivalents	\$ 442,072
Other assets	19,124
Capital assets (net)	<u>1,712,410</u>
TOTAL ASSETS	<u>2,173,606</u>
<b>LIABILITIES</b>	
Accounts, salaries, and other payables	686
Accrued interest payable	2,789
Bonds payable:	
Portion due within one year	50,000
Portion due after one year	<u>640,000</u>
TOTAL LIABILITIES	<u>693,475</u>
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	1,022,410
Restricted for:	
Debt service	109,124
Unrestricted	<u>348,597</u>
TOTAL NET ASSETS	<u><u>\$ 1,480,131</u></u>

See accompanying notes and independent accountant's compilation report.

RECREATION DISTRICT NO. 6 OF ALLEN PARISH  
Statement of Activities  
For the Year Ended September 30, 2012

		Program Revenues		Net (Expenses) Revenues & Changes in Net Assets
	Expenses	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>Governmental Activities</b>				
General government	\$ 96,414	\$ -	\$ -	\$ (96,414)
Interest	34,593	-	-	(34,593)
Total Governmental Activities	<u>\$ 131,007</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (131,007)</u>
General Revenues:				
				161,407
				601
				<u>821</u>
				162,829
			Change in Net Assets	31,822
			Net assets-beginning	<u>1,448,309</u>
			Net assets-ending	<u>\$ 1,480,131</u>

See accompanying notes and independent accountant's compilation report.

RECREATION DISTRICT NO. 6 OF ALLEN PARISH  
Balance Sheet, Governmental Funds  
September 30, 2012

	GENERAL FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS</b>				
Cash and cash equivalents	\$ 125,415	\$ 109,124	\$ 207,533	\$ 442,072
<b>TOTAL ASSETS</b>	<u>\$ 125,415</u>	<u>\$ 109,124</u>	<u>\$ 207,533</u>	<u>\$ 442,072</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts, salaries, and other payables	\$ 686	\$ -	\$ -	\$ 686
<b>Total Liabilities</b>	<u>686</u>	<u>-</u>	<u>-</u>	<u>686</u>
Equity and Other Credits:				
Fund Balances:				
Restricted				
Debt services	-	109,124	-	109,124
Assigned	-	-	207,533	207,533
Unassigned	124,729	-	-	124,729
	<u>124,729</u>	<u>109,124</u>	<u>207,533</u>	<u>441,386</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 125,415</u>	<u>\$ 109,124</u>	<u>\$ 207,533</u>	<u>\$ 442,072</u>

See accompanying notes and independent accountant's compilation report.



**RECREATION DISTRICT NO. 6 OF ALLEN PARISH**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended September 30, 2012**

	GENERAL FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES</b>				
Taxes:				
Ad valorem	\$ 89,055	\$ 72,352	\$ -	\$ 161,407
Other taxes, penalties, interest, etc.	50	35	-	85
Interest	181	124	211	516
Other revenues	821	-	-	821
Total Revenues	<u>90,107</u>	<u>72,511</u>	<u>211</u>	<u>162,829</u>
<b>EXPENDITURES</b>				
Advertising	1,385	-	-	1,385
Capital outlay	70,911	-	-	70,911
Insurance	12,876	-	-	12,876
Legal & professional	5,893	-	-	5,893
Office expenses	70	-	-	70
Promotions	6,462	-	-	6,462
Repairs & maintenance	23,970	-	-	23,970
Safe deposit box rental	30	-	-	30
Utilities	7,923	-	-	7,923
Debt service:				
Principal payments	-	45,000	-	45,000
Interest payments	-	34,818	-	34,818
Agent fees	-	350	-	350
Total Expenditures	<u>129,520</u>	<u>80,168</u>	<u>-</u>	<u>209,688</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(39,413)</u>	<u>(7,657)</u>	<u>211</u>	<u>(46,859)</u>
Net Change in Fund Balances	(39,413)	(7,657)	211	(46,859)
Fund balances-beginning	164,142	116,781	207,322	488,245
Fund balances-ending	<u>\$ 124,729</u>	<u>\$ 109,124</u>	<u>\$ 207,533</u>	<u>\$ 441,386</u>

See accompanying notes and independent accountant's compilation report.

## NOTES TO THE FINANCIAL STATEMENTS

## **RECREATION DISTRICT NO. 6 OF ALLEN PARISH**

### **Notes to the Financial Statements**

As of and for the Year Ended September 30, 2012

#### **INTRODUCTION**

Recreation District No. 6 of Allen Parish was created by the Allen Parish Police Jury on September 18, 2000 under the authority conferred by Article VI, Section 19 of the Constitution of the State of Louisiana of 1974, Sections 4562 to 4566, both inclusive of Title 33 of the Louisiana Revised Statutes of 1950 (R.S. 33:4562-33:4566). The District was created to provide recreational facilities for the citizens of Ward Three of Allen Parish. The District is governed by five commissioners whom are appointed by the Allen Parish Police Jury and maybe be compensated by a per diem of \$10 per meeting attended, not to exceed twelve meetings per year. As of September 30, 2012, the commissioners have chosen not to be paid any per diem. The District encompasses all of Ward Three of Allen Parish and has approximately 2,500 citizens. As of September 30, 2012, the District has no employees. The District offers a wide range of recreational facilities to the citizens.

As the governing authority of the parish, for reporting purposes, the Allen Parish Police Jury is the financial reporting entity for the District. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Allen Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organizations' governing body, and
  - a. The ability of the police jury to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury appoints all members to the governing body and has the ability to impose its will on the District, the District was determined to be a component unit of the Allen Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the police jury, the general government services provided by the police jury, or the other governmental units that comprise the financial reporting entity.

#### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **A. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the Recreation District No. 6 of Allen Parish. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. All individual governmental funds and individual enterprise funds are reported as separate columns in the fund financial statements.

### **B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

The Recreation District No. 6 of Allen Parish reports the following governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.

The Debt Service Fund accounts for transactions relating to resources retained and used for the payment of principal and interest on long-term obligations.

The Capital Projects Fund accounts for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to business-type activities and to enterprise funds to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

# **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. General revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

## **C. Deposits and Investments**

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the Recreation District No. 6 of Allen Parish's investment policy allow the District to invest in collateralized certificates of deposits, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities.

## **D. Receivables and Payables**

All trade and property tax receivables are shown net of an allowance for uncollectible accounts. Uncollectible amounts due for ad valorem taxes are recognized as uncollectible using the allowance method. There were no uncollectible amounts due at September 30, 2012.

Property taxes are levied on a calendar year basis and become due on January 1 of each year. The following is a summary of authorized and levied ad valorem taxes:

	Authorized and Levied Millage	Expiration Date
Taxes due for:		
Maintenance	5.38 mills	2012
Maintenance	3.28 mills	2015
Bond	7.00 mills	2023

## **E. Restricted Assets**

Restricted assets are resources that the governmental entity is restricted from spending.

## **F. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. As of September 30, 2012, all assets are capitalized at historical cost. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Recreation District No. 6 of Allen Parish maintains a threshold level of \$2,500 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

# **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

All capital assets, other than land, are depreciated using the straight-line method over their remaining useful lives:

Description	Estimated Life
Recreation complex	20-50 years
Equipment	10 - 25 years

## **G. Long-Term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities type statement of net assets. Issuance costs are deferred and amortized over the life of the bonds using the effective interest method. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond issuance costs during the current period. The face amount of the debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

## **H. Fund Balance**

The Governmental Accounting Standards Board (GASB) has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54). This Statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes.

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories list below.

1. *Nonspendable*, such as fund balance associated with inventories, prepaids, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned),
2. *Restricted* fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation,
3. *Committed* fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Recreation District's Board of Commissioners ( the District's highest level of decision-making authority),
4. *Assigned* fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Intent can be expressed by the Board of Commissioners or by an official or body to which the Board of Commissioners delegates the authority, and
5. *Unassigned* fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications

When an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the District has provided otherwise in its commitment or assignment actions.

# **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The calculation of fund balance amounts begins with the determination of nonspendable fund balances. Then restricted fund balances for specific purposes are determined (not including non-spendable amounts). Then any remaining fund balance amounts for the non-general funds are classified as restricted fund balance. It is possible for the non-general funds to have negative unassigned fund balance when non-spendable amounts plus the restricted fund balances for specific purposes amounts exceed the positive fund balance for the non-general fund.

As of September 30, 2012, the District did not have any non-spendable or committed fund balances. The District had an assigned fund balance of \$207,533 for capital outlay in the Capital Projects Fund and a restricted fund balance of \$109,124 for debt service in the Debt Service Fund.

## **I. Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

## **J. Reconciliations of Government-Wide and Fund Financial Statements**

The following reconciles the fund balances of governmental funds to the government-wide statement of net assets.

Total Fund Balance at September 30, 2012-Governmental Funds	\$	441,386
Bond-related adjustments		(690,000)
Cost of capital assets		1,712,410
Accrued interest payable		(2,789)
Bond issuance costs, net		10,884
Prepaid insurance		8,240
Net Assets at September 30, 2012-Governmental Activities	\$	<u>1,480,131</u>

The following reconciles the net changes in fund balance-total governmental funds to the changes in net assets of governmental activities.

Total Net Change in Fund Balance-Governmental Funds	\$	(46,859)
Bond principal		45,000
Capital outlay		70,911
Depreciation expense		(37,349)
Interest		225
Amortization of bond issuance costs		(982)
Prepaid insurance		876
Change in Net Assets of Governmental Activities	\$	<u>31,822</u>

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**K. Restricted Net Assets**

For government-wide statement of net assets, net assets are reported as restricted when constraints placed on net asset use are either:

1. externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; and
2. imposed by law through constitutional provisions or enabling legislation.

**2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

The Recreation District No. 6 of Allen Parish uses the following budget practices:

A budget is adopted on a basis consistent with generally accepted accounting principles. An annual appropriated budget is adopted for the General Fund. All annual appropriations lapse at fiscal year end.

On or before the last meeting of each year, the budget is prepared by fund, function, and activity and includes information on the past year, current year estimates, and requested appropriations for the next fiscal year.

The proposed budget is presented to the District's Board of Commissioners for review. The board holds a public hearing and may add to, subtract from, or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated.

Expenditures may not legally exceed budgeted appropriations by more than five percent.

**3. CASH AND CASH EQUIVALENTS**

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it.

In accordance with a fiscal agency agreement that is approved by the Board of Commissioners, the District maintains demand and time deposits through local depository banks that are members of the Federal Reserve System.

Interest rate risk. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of credit risk. The District places no limit on the amount the District may invest in any one issuer.



### 3. CASH AND CASH EQUIVALENTS

At September 30, 2012, the Recreation District No. 6 of Allen Parish has cash and cash equivalents (book balances) totaling \$442,072 as follows:

Demand deposits	\$	-
Interest-bearing demand deposits		442,072
Time deposits		-
Other		-
Total	\$	<u>442,072</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At September 30, 2012, the Recreation District No. 6 of Allen Parish has \$446,585 in deposits (collected bank balances). These deposits are secured from risk by \$250,000 of federal deposit insurance and \$196,585 of pledged securities held by the custodial bank in the name of the fiscal agency bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand.

### 4. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended September 30, 2012, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 55,367	\$ -	\$ -	\$ 55,367
Total capital assets, not being depreciated	<u>\$ 55,367</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,367</u>
Capital assets being depreciated				
Recreation complex	\$ 1,718,094	\$ 70,911	\$ -	\$ 1,789,005
Equipment	44,385	-	-	44,385
Total capital assets being depreciated	<u>1,762,479</u>	<u>70,911</u>	<u>-</u>	<u>1,833,390</u>
Less accumulated depreciation for:				
Recreation complex	129,519	34,362	-	163,881
Equipment	9,479	2,987	-	12,466
Total accumulated depreciation	<u>138,998</u>	<u>\$ 37,349</u>	<u>\$ -</u>	<u>176,347</u>
Total capital assets being depreciated, net	<u>\$ 1,623,481</u>			<u>\$ 1,657,043</u>

Recreation District No. 6 of Allen Parish  
Notes to the Financial Statements (Continued)

**4. CAPITAL ASSETS**

Depreciation expense of \$37,349 for the year ended September 30, 2012, was charged to the following governmental functions:

General government	\$ 37,349
Total	<u>\$ 37,349</u>

**5. ACCOUNTS, SALARIES, AND OTHER PAYABLES**

The payables of \$686 at September 30, 2012 are as follows:

	General Fund	Debt Service Fund	Capital Projects Fund	Total
Accounts	\$ 686	\$ -	\$ -	\$ 686
Other	-	-	-	-
Total	<u>\$ 686</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 686</u>

**6. LONG-TERM OBLIGATIONS**

The following is a summary of the long-term obligation transactions for the year ended September 30, 2012.

	Bonded Debt
Long-term obligations at Beginning of Year	\$ 735,000
Additions	-
Deductions	45,000
Long-term obligations at End of Year	<u>\$ 690,000</u>

The following is a summary of the current (due in one year or less) and the long-term (due in more than one year) portions of long-term obligations as of September 30, 2012.

	Bonded Debt
Current portion	\$ 50,000
Long-term portion	640,000
Total	<u>\$ 690,000</u>

All District bonds outstanding at September 30, 2012, for \$690,000, are general obligation bonds with maturities from 2013 to 2023 and interest rates from .10% to 7.0%. Bond principal and interest payable in the next fiscal year are \$50,000 and \$31,718, respectively. The individual issues are as follows:

Bond	Original Issue	Interest Rate	Final Payment Date	Interest to Maturity	Principal Outstanding	Funding Source
General Obligation Bonds, Series 2003	\$ 1,015,000	Up to 7%	March 1, 2023	\$ 203,688	\$ 690,000	Ad valorem taxes

## 6. LONG-TERM OBLIGATIONS

All principal and interest requirements are funded in accordance with Louisiana law by the annual ad valorem tax levy on taxable property within the District. At September 30, 2012, the Recreation District No. 6 of Allen Parish has accumulated \$109,124 in the debt service funds for future debt requirements. The bonds are due as follows:

Year Ending September 30,	Principal Payments	Interest Payments	Total
2013	\$ 50,000	\$ 31,718	\$ 81,718
2014	50,000	29,043	79,043
2015	55,000	27,045	82,045
2016	55,000	24,818	79,818
2017	60,000	22,328	82,328
2018-2022	340,000	66,536	406,536
2023	80,000	2,200	82,200
Total	<u>\$ 690,000</u>	<u>\$ 203,688</u>	<u>\$ 893,688</u>

In accordance with R.S. 39:562, the Recreation District No. 6 of Allen Parish is legally restricted from incurring long-term bonded debt in excess of 35% of the assessed value of taxable property. At September 30, 2012, the statutory limit is \$3,744,045 and outstanding bonded debt totals \$690,000.

## 7. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains commercial insurance coverage covering each of these risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. The District did not reduce insurance coverage during the year ended September 30, 2012.

## 8. COOPERATIVE ENDEAVOR AGREEMENT

Recreation District No. 6 of Allen Parish entered into a cooperative endeavor agreement on April 14, 2003 with the Allen Parish School Board for the purpose of providing for and promoting recreational opportunities for the youth of Ward 3, Allen Parish, generally and, more particularly, students of the Reeves School. The two entities own property that are contiguous to each other and when combined would create a tract or parcel that will be better utilized for the development of a recreational complex. The agreement allows the District to utilize the School Board's property for the construction of recreational facilities. Title to or ownership of this property remains with the School Board.

## 9. PER DIEM

As provided by Louisiana Revised Statute 38:1794, the board members may receive \$10 per diem for each regular and special meeting attended but shall not be paid for more than twelve meetings in each year. However, at this time the District is not paying per diem.

**10. SUBSEQUENT EVENT REVIEW**

The District's management has evaluated subsequent events through December 4, 2012, the date which the financial statements were available to be issued.

**11. NEW ACCOUNTING PRONOUNCEMENT**

In December 2010, the Governmental Accounting Standards Board (GASB) approved Statement No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements". The statement specifically identifies and consolidates the accounting and financial reporting provisions that apply to state and local governments. In June 2011, the Governmental Accounting Standards Board (GASB) approved statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position". The statement changes how governments will organize their statements of financial position (such as the current government-wide statement of net assets and the governmental funds balance sheet). Under this standard, financial statements will include deferred outflows of resources and deferred inflows of resources, in addition to assets and liabilities, and will report net position instead of net assets. The provisions of GASB Nos. 62 and 63 must be implemented by the District for the year ending September 31, 2013. The effect of implementation on the District's financial statements has not yet been determined.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**RECREATION DISTRICT NO. 6 OF ALLEN PARISH**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended September 30, 2012**

	BUDGETED AMOUNTS FINAL	ACTUAL AMOUNTS	VARIANCE (OVER) FINAL
<b>REVENUES</b>			
Taxes:			
Ad valorem	\$ 89,105	\$ 89,055	\$ (50)
Other taxes, penalties, interest, etc.		50	50
Interest	181	181	-
Other revenues	320	821	501
Total Revenues	<u>89,606</u>	<u>90,107</u>	<u>501</u>
<b>EXPENDITURES</b>			
Advertising	700	1,385	(685)
Insurance	15,600	12,876	2,724
Legal & professional	5,100	5,893	(793)
Miscellaneous	900	-	900
Office expense	150	70	80
Promotion	5,961	6,462	(501)
Repairs & maintenance	28,000	23,970	4,030
Safe deposit box rental	30	30	-
Utilities	7,700	7,923	(223)
Capital outlay	70,911	70,911	-
Total Expenditures	<u>135,052</u>	<u>129,520</u>	<u>5,532</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(45,446)</u>	<u>(39,413)</u>	<u>6,033</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(45,446)</u>	<u>(39,413)</u>	<u>6,033</u>
<b>FUND BALANCE (DEFICIT)     AT BEGINNING OF YEAR</b>	<u>164,142</u>	<u>164,142</u>	<u>-</u>
<b>FUND BALANCE (DEFICIT)     AT END OF YEAR</b>	<u>\$ 118,696</u>	<u>\$ 124,729</u>	<u>\$ 6,033</u>

Notes to the Schedule:

The budget is adopted on a basis consistent with generally accepted accounting principles.

The following expenditures were underbudgeted by 5% or more: advertising, legal & professional, and promotion.

There were no amendments to the budget for the year ended September 30, 2012.

See independent accountant's compilation report.